

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-01395A

Queen Creek Water Company  
22713 S Ellsworth Rd., Bldg. A  
Queen Creek, AZ 85242



**RECEIVED**

MAY 10 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered  
5-15-06  
RF

## COMPANY INFORMATION

**Company Name (Business Name) QUEEN CREEK WATER COMPANY**

**Mailing Address 22713 SOUTH ELLSWORTH ROAD BUILDING "A"**  
(Street)

**QUEEN CREEK**  
(City)

**AZ**  
(State)

**85242**  
(Zip)

**(480) 987-3240**  
Telephone No. (Include Area Code)

**(480) 987-9326**  
Fax No. (Include Area Code)

**(480) 682-8300**  
Pager/Cell No. (Include Area Code)

**Email Address: TSMITH@QCWATER.COM**

**Local Office Mailing Address 22713 SOUTH ELLSWORTH ROAD BUILDING "A"**  
(Street)

**QUEEN CREEK**  
(City)

**AZ**  
(State)

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**Email Address TSMITH@QCWATER.COM**

## MANAGEMENT INFORMATION

**Management Contact: PAUL T. GARDNER**  
(Name)

**PRESIDENT**  
(Title)

**22713 SOUTH ELLSWORTH ROAD BUILDING "A"**  
(Street)

**QUEEN CREEK**  
(City)

**AZ**  
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**Email Address: : TSMITH@QCWATER.COM**

**On Site Manager: PAUL T. GARDNER**  
(Name)

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**Email Address: TSMITH@QCWATER.COM**

XX ☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent: JORDEN & BISCHOFF, PLC**

(Name)

7272 EAST INDIAN SCHOOL #205  
(Street)

SCOTTSDALE  
(City)

AZ  
(State)

85242  
(Zip)

**480 505-3900**  
Telephone No. (Include Area Code)

**480 505-3901**  
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney: CHARLES A. BISCHOFF**

(Name)

**SAME AS ABOVE**

(Street)

(City)

(State)

(Zip)

**SAME AS ABOVE**  
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

X ☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

X ☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	10,490.	-	10,490.
304	Structures and Improvements	313,648.	23,051.	290,597.
307	Wells and Springs	1,202,211.	190,574.	1,011,637.
311	Pumping Equipment	322,131.	205,425.	116,706.
320	Water Treatment Equipment	31,510.	11,639.	19,871.
330	Distribution Reservoirs and Standpipes	1,298,871.	219,675.	1,079,196.
331	Transmission and Distribution Mains	14,251,356.	2,057,397.	12,193,959.
333	Services	616,069.	119,732.	496,337.
334	Meters and Meter Installations	2,077,561.	61,280.	2,016,281.
335	Hydrants	1,718,685.	247,668.	1,471,017.
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	11,193.	10,772.	421.
340	Office Furniture and Equipment	308,366.	31,925.	276,441.
341	Transportation Equipment	4,873.	(25,631.)	30,504.
343	Tools, Shop and Garage Equipment	159,009.	27,408.	131,601.
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	7,822.	341.	7,481.
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	28,350.	10,568.	17,782.
348	Other Tangible Plant	0	69,191.	(69,191.)
	<b>TOTALS</b>	<b>22,362,145.</b>	<b>3,261,105.</b>	<b>19,101,130.</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2) 3%</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	10,490	-	0.
304	Structures and Improvements	313,648.	3%	9,410.
307	Wells and Springs	1,202,211.	3%	36,066.
311	Pumping Equipment	322,131.	3%	9,664.
320	Water Treatment Equipment	31,510.	3%	945.
330	Distribution Reservoirs and Standpipes	1,298,871.	3%	38,966.
331	Transmission and Distribution Mains	14,251,356.	3%	427,541.
333	Services	616,069.	3%	18,482.
334	Meters and Meter Installations	2,077,561.	3%	62,327.
335	Hydrants	1,718,685.	3%	51,560.
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	11,193.	3%	336.
340	Office Furniture and Equipment	308,366.	3%	9,251.
341	Transportation Equipment	4,873.	3%	146.
343	Tools, Shop and Garage Equipment	159,009.	3%	4,770.
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	7,822.	3%	235.
346	Communication Equipment	-	3%	-
347	Miscellaneous Equipment	28,350.	3%	850.
348	Other Tangible Plant	0	3%	
	<b>TOTALS</b>	<b>\$22,362,145.</b>	<b>3%</b>	<b>\$670,549.</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

**BALANCE SHEET**

<b>Acct .No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$10,778.	\$829.
134	Working Funds	147,903.	310,065.
135	Temporary Cash Investments	195,947.	83,043.
141	Customer Accounts Receivable	376,823.	444,967.
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	44,832.	58,570.
162	Prepayments	45,800.	48,667.
174	Miscellaneous Current and Accrued Assets	-	
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$822,083.</b>	<b>\$946,142.</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$19,951,114.	\$22,362,145.
103	Property Held for Future Use	-	-
105	Construction Work in Progress	728,526.	1,579,052.
108	Accumulated Depreciation – Utility Plant	(2,590,466.)	(3,261,015.)
121	Non-Utility Property	-	
122	Accumulated Depreciation – Non Utility	-	
	<b>TOTAL FIXED ASSETS</b>	<b>\$18,09,174.</b>	<b>\$20,680,182.</b>
	<b>TOTAL ASSETS</b>	<b>\$18,911,257.</b>	<b>\$21,626,324.</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### **BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$315,939.	\$303,698.
232	Notes Payable (Current Portion)	-	283,076.
234	Notes/Accounts Payable to Associated Companies	-	-
235	Customer Deposits	179,010.	243,685.
236	Accrued Taxes	63,238.	67,766.
237	Accrued Interest	-	
241	Miscellaneous Current and Accrued Liabilities	105,719.	237,306.
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$663,906.</b>	<b>\$1,135,531.</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	<b>\$348,417.</b>	<b>\$262,716.</b>
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	12,893,228.	14,537,910.
255	Accumulated Deferred Investment Tax Credits	-	
271	Contributions in Aid of Construction	4,944,152.	5,471,647.
272	Less: Amortization of Contributions	(303,905.)	(468,054.)
281	Accumulated Deferred Income Tax	(75,123.)	(135,823.)
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$17,458,352.</b>	<b>\$19,405,680.</b>
	<b>TOTAL LIABILITIES</b>	<b>\$18,470,675.</b>	<b>\$20,803,927.</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$3,000.	\$3,000.
211	Paid in Capital in Excess of Par Value	408,000.	408,000.
215	Retained Earnings	142,307.	524,122.
218	Proprietary Capital (Sole Props and Partnerships)TREASURY STK	(112,725.)	(112,725.)
	<b>TOTAL CAPITAL</b>	<b>\$440,582.</b>	<b>\$855,397.</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$18,911,257.</b>	<b>\$21,626,324.</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 3,127,137.	\$3,637,832.
460	Unmetered Water Revenue	264,845.	244,304.
474	Other Water Revenues	148,676.	217,835.
	<b>TOTAL REVENUES</b>	<b>\$3,540,658.</b>	<b>\$4,099,971.</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$1,050,540.	\$1,223,349.
610	Purchased Water	153,188.	157,801.
615	Purchased Power	374,772.	448,392.
618	Chemicals	103,385.	99,212.
620	Repairs and Maintenance	315,603.	154,214.
621	Office Supplies and Expense	181,619.	134,048.
630	Outside Services	4,165.	3,159.
635	Water Testing	15,335.	27,195.
641	Rents	101,566.	90,492.
650	Transportation Expenses	233,322.	301,547.
657	Insurance – General Liability	35,280.	47,170.
659	Insurance - Health and Life	106,267.	113,633.
666	Regulatory Commission Expense – Rate Case	-	-
675	Miscellaneous Expense	179,466.	202,417.
403	Depreciation Expense	598,219.	506,400.
408	Taxes Other Than Income	88,380.	100,778.
408.11	Property Taxes	97,238.	108,512.
409	Income Tax	(29,368.)	26,400.
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,608,977.</b>	<b>\$3,744,719.</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>(\$68,320.)</b>	<b>\$355,252.</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	2,463.	\$3,285.
421	Non-Utility Income	32,411.	55,091.
426	Miscellaneous Non-Utility Expenses	-	
427	Interest Expense	(27,924.)	(31,813.)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$6,950.</b>	<b>\$26,563.</b>
	<b>NET INCOME/(LOSS)</b>	<b>(\$61,369.)</b>	<b>\$381,815.</b>



**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	02/10/98			
Source of Loan	WIFA			
ACC Decision No.	60737			
Reason for Loan	CAPITOL IMPROVEMENTS			
Dollar Amount Issued	\$400,000.	\$	\$	\$
Amount Outstanding	\$262,767.	\$	\$	\$
Date of Maturity	09/30/2017			
Interest Rate	6.125 %	%	%	%
Current Year Interest	\$19,824.	\$	\$	\$
Current Year Principle	\$15,700.	\$	\$	\$

Meter Deposit Balance at Test Year End

\$1,123,136.50

Meter Deposits Refunded During the Test Year

\$146,358.50

**COMPANY NAME**    **QUEEN CREEK WATER COMPANY**

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
<b>55-609476</b>	<b>75</b>	<b>400</b>	<b>900</b>	<b>16</b>	<b>6</b>	<b>1960</b>
<b>55-628275</b>	<b>300</b>	<b>1350</b>	<b>1000</b>	<b>20</b>	<b>10</b>	<b>1950</b>
<b>55-612288</b>	<b>200</b>	<b>1850</b>	<b>1950</b>	<b>18</b>	<b>8</b>	<b>1970</b>
<b>55-613585</b>	<b>250</b>	<b>1000</b>	<b>1000</b>	<b>18</b>	<b>8</b>	<b>1960</b>
<b>55-628274</b>	<b>250</b>	<b>1200</b>	<b>1000</b>	<b>20</b>	<b>8</b>	<b>1950</b>
<b>55-606643</b>	<b>250</b>	<b>1000</b>	<b>1000</b>	<b>20</b>	<b>8</b>	<b>1960</b>
<b>55-626051</b>	<b>200</b>	<b>1200</b>	<b>1000</b>	<b>18</b>	<b>8</b>	<b>1970</b>
<b>55-628856</b>	<b>200</b>	<b>850</b>	<b>1000</b>	<b>20</b>	<b>8</b>	<b>1960</b>

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
<b>CAP (FOR IRRIGATION ONLY)</b>	<b>N/A</b>	<b>412,853</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
20	2	1124	
30	3		
50	13		
<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
40K	1		
100K	2	5000	4
270K	1		
400K	1		
700K	1		
1,000,000	3		

**COMPANY NAME**    **QUEEN CREEK WATER COMPANY**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

<b>Size (in inches)</b>	<b>Material</b>	<b>Length (in feet)</b>
2	PVC	943
3	PVC	-
4	PVC	1030
5	PVC	-
6	PVC	390,136
8	PVC	559,629
10	PVC	6090
12	PVC	146,327
8	ACP	5717
8	PVC IRR	33,145
10	PVC IRR	1,900
12	PVC IRR	71,011
15	PVC IRR	1,720
18	PVC IRR	1,310

**CUSTOMER METERS**

<b>Size (in inches)</b>	<b>Quantity</b>
5/8 X 3/4	10
3/4	4534
1	3066
1 1/2	78
2	131
Comp. 3	8
Turbo 3	0
Comp. 4	5
Turbo 4	0
Comp. 6	4
Turbo 6	0
Fire Hydrant 3"	54

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

3 – PPG TABLET CHLORINATORS
4 – GRUNDFOS CHLORINATOR PUMPS
6 – ARDEN CHLORINATORS

**STRUCTURES:**

Office Building
5 Block Walls
3 Chain Link Fences

**OTHER:**

N/A \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**COMPANY NAME:**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD</b>	<b>GALLON PUMPED (Thousands)</b>
JANUARY	6401	50,630	58,829
FEBRUARY	6516	50,791	54,955
MARCH	6667	77,003	85,294
APRIL	6744	124,615	134,076
MAY	6872	150,147	163,383
JUNE	6989	214,800	232,603
JULY	7065	195,160	218,459
AUGUST	7184	190,536	200,001
SEPTEMBER	7329	156,230	162,894
OCTOBER	7444	192,258	214,833
NOVEMBER	7497	134,562	142,333
DECEMBER	7570	106,012	107,732
<b>TOTAL</b>		<b>1,642,744</b>	<b>1,775,392</b>

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☒ ( X ) Yes                      ☐ ( ) No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☒ ( X ) Yes                      ☐ ( ) No

**If yes, provide the GPCPD amount: 186 GPCD**

**What is the level of arsenic for each well on your system. 2-6 PPB mg/l**

*(If more than one well, please list each separately.)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

**COMPANY NAME QUEEN CREEK WATER COMPANY YEAR ENDING 12/31/2005**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ **108,512**.

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**RECEIVED**

APR 26 2006

AZ CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME)
<b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>Paul T. Gardner - President</b>
COMPANY NAME
<b>Queen Creek Water Company</b>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

*Paul T. Gardner*

SIGNATURE OF OWNER OR OFFICIAL

(480) 987-3240

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

26th

**DAY OF**

(SEAL)

**MY COMMISSION EXPIRES**

COUNTY NAME	
Maricopa	
MONTH	YEAR
April	2006

*Tricia M. Smith*

SIGNATURE OF NOTARY PUBLIC



**COMPANY NAME QUEEN CREEK WATER COMPANY YEAR ENDING 12/31/2005**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<b>\$227,500.</b>
Estimated or Actual Federal Tax Liability	<b>\$ 72,495.</b>

State Taxable Income Reported	<b>\$227,500.</b>
<b>Estimated or Actual State Tax Liability</b>	<b>\$ 15,400.</b>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Paul T. Gardner  
SIGNATURE

April 26 2006  
DATE

**Paul T. Gardner**  
PRINTED NAME

**President**  
TITLE

RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

APR 26 2006

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>MARICOPA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>PAUL T. GARDNER</b>
COMPANY NAME <b>QUEEN CREEK WATER COMPANY</b>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$4,489,923.31

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$334,861.64  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

*Paul T. Gardner*

SIGNATURE OF OWNER OR OFFICIAL

(480) 987-3240

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

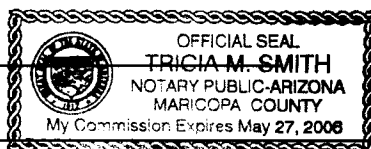
26TH

DAY OF

(SEAL)

COUNTY NAME Maricopa	
MONTH April	YEAR 2006

MY COMMISSION EXPIRES



*Tricia M. Smith*  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

APR 26 2006

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) PAUL T. GARDNER	TITLE: PRESIDENT
COMPANY NAME QUEEN CREEK WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$4,489,923.31

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$334,861.64  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

(480) 987-3240

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

26th

**DAY OF**

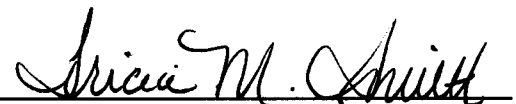
NOTARY PUBLIC NAME TRICIA M. SMITH	
COUNTY NAME MARICOPA	
MONTH APRIL	, 2006

**(SEAL)**

**MY COMMISSION EXPIRES**



X

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC